

Gulf Oil Exploration and Production Company

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OIL CONSERVATION DIVISION
SANTA FE

R. C. Anderson
PRODUCTION MANAGER, HCBBS AREA

March 20, 1981

P. O. Box 670
Hobbs, NM 88240

Re: B. V. Culp (NCT-A) Tank Battery
Sec. 19-T19S-R37E, Lea County, NM
Proposed Surface Commingling of
production from the Eunice-Monument
and the Eumont Gas Pools

Mr. Joe D. Ramey
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

In order to avoid considerable expense in constructing and maintaining a new tank battery for the subject lease, Gulf hereby seeks an exception to Rule 303-A. This will allow Gulf to surface commingle Eunice-Monument oil from B. V. Culp (NCT-A) Wells No. 1, 2, 3, 4, 5, 6, and 7 with Eumont Gas condensate from the B. V. Culp (NCT-A) Well No. 9. All wells will be tested periodically for allocation of production.

The attached tabulation shows the volumes, gravities, and monetary values of the liquid hydrocarbons from individual pools, as well as commingled production. The tabulation also shows total average daily production for a two month period and the results of recent production tests for the new completion.

The calculated revenue from the commingled production is \$0.17 per day less than the total revenue from the individual pools.

Also attached is a schematic diagram of the storage facilities for the commingled production and a lease plat. Shell Pipeline Corporation has agreed to purchase the commingled production as proposed herein.

The commingling proposal is in the interest of conservation in that it prevents unnecessary waste and production expense.

Yours very truly,


R. C. Anderson

KML/tmd

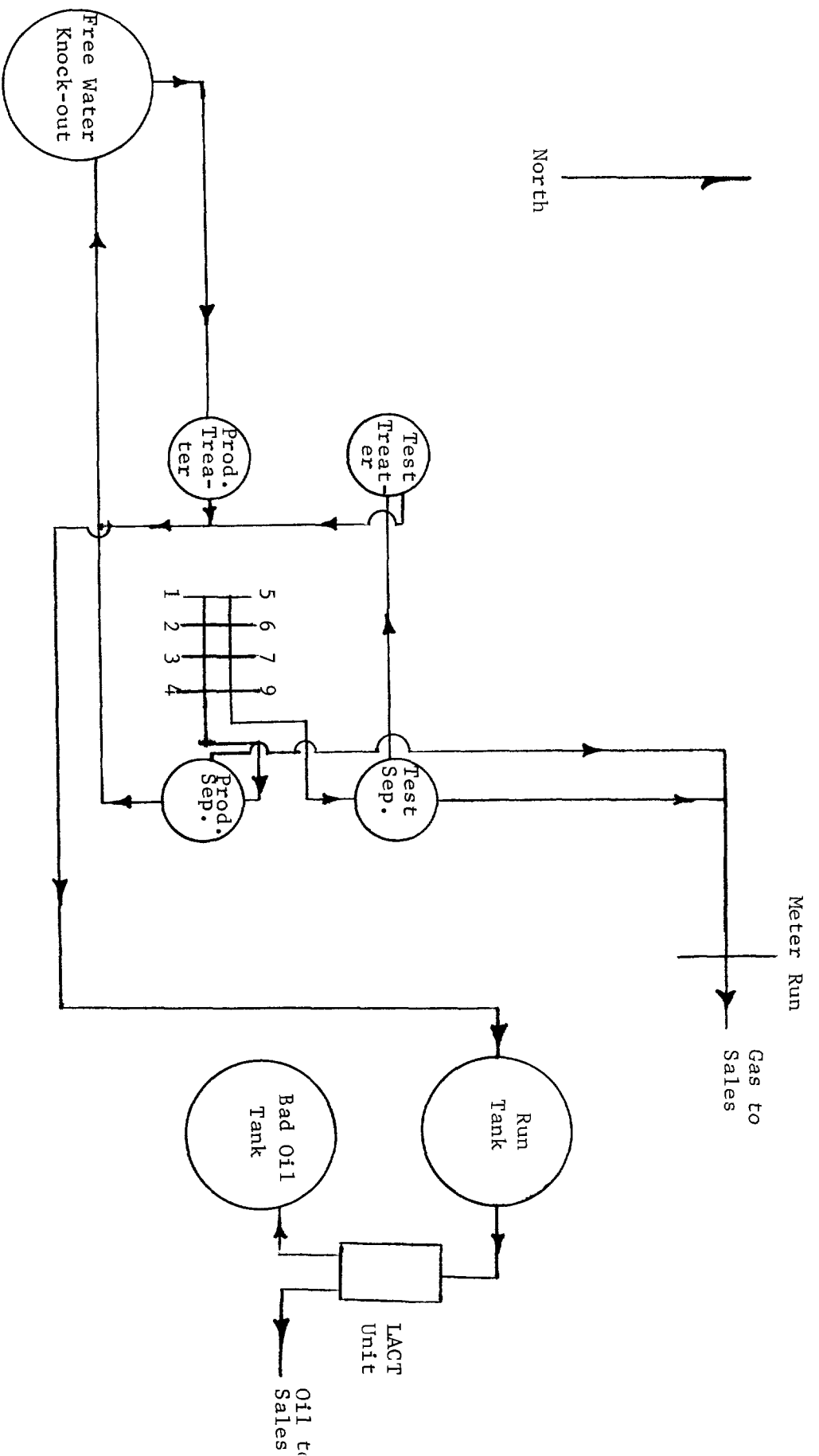


A DIVISION OF GULF OIL CORPORATION

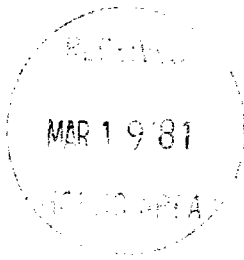
B. V. Culp (NCT-A) Lease, Tank Battery
 Section 19-T19S-R37E
 Lea County, New Mexico

<u>Wells and Pool</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>December 1980</u>	<u>January 1981</u>		
B. V. Culp (NCT-A) #9 Eumont Gas	--	--	--	1
B. V. Culp (NCT-A) #1, 2, 3, 4, 5, 6, and 7 Eunice-Monument	7205	5682	12,887	208

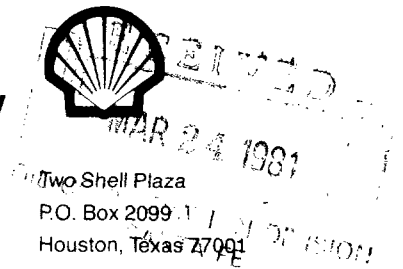
<u>Pool</u>	<u>BOPD</u>	<u>API Gravity</u>	<u>\$/Bbl.</u>	<u>\$/Day</u>
Eumont Gas	1	32 ^o	\$35.84	\$ 35.84
Eunice-Monument	208	31.7 ^o	\$35.67	\$7419.36
Total				\$7455.20
Commingled	209	31.7 ^o	\$35.67	\$7455.03
			Difference	(0.17)



Gulf Oil Corporation
 Proposed Commingled Tank Battery-B. V. Culp (NCT-A) Lease
 Eunice-Monument and Eunont Gas



Shell Oil Company



March 13, 1981

Gulf Oil Company - U.S.
ATTN Mr. Bob Anderson
P. O. Box 670
Hobbs, NM 88240

Gentlemen:

GULF OIL CORPORATION
B. V. CULP NCT A
EUMONT GAS, EUNICE MONUMENT
LEA COUNTY, NEW MEXICO

This confirms the March 12, 1981, telephone conversation between Mr. Baker of your Midland office and the undersigned.

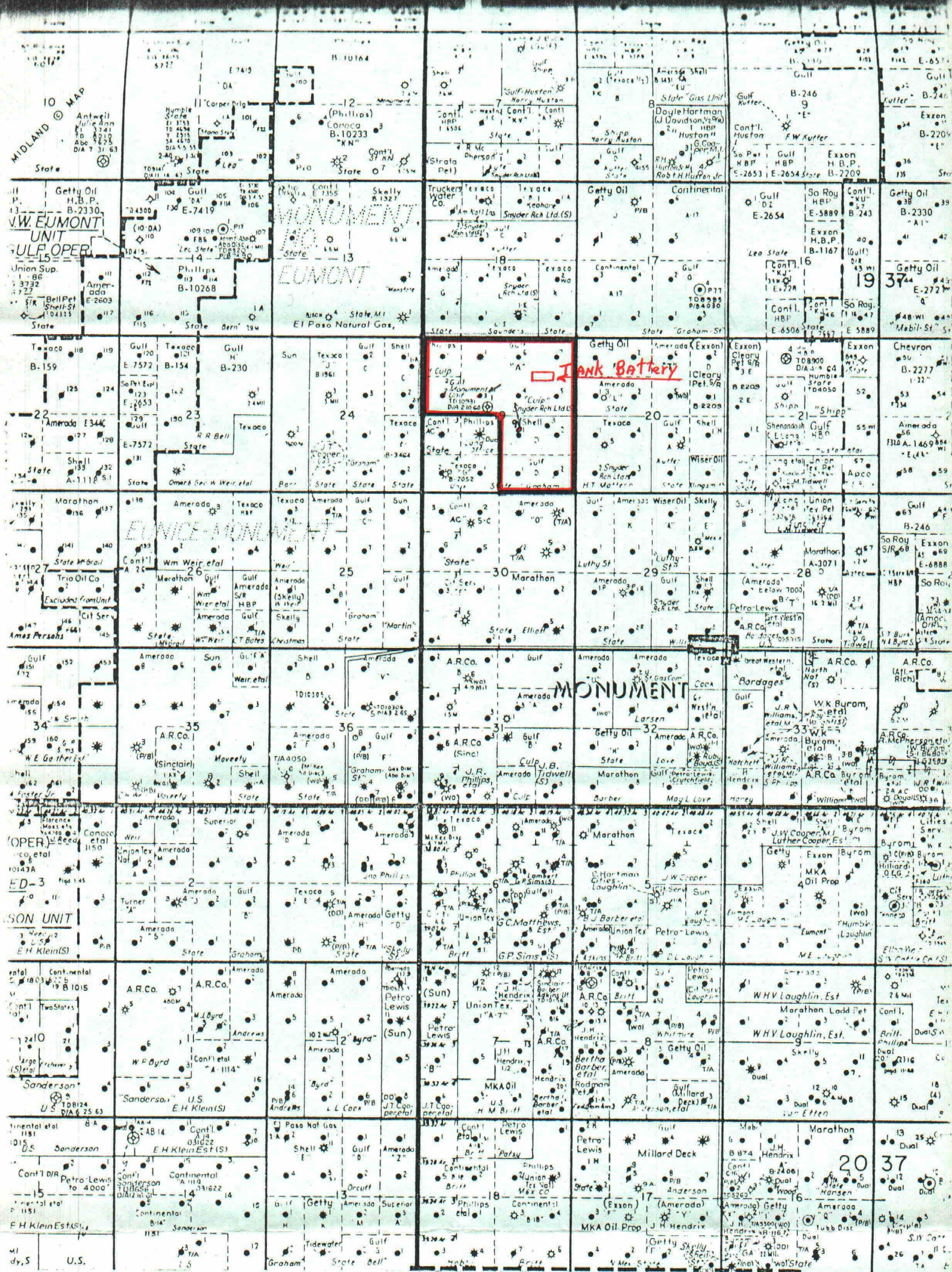
As discussed, Shell is agreeable to purchase the commingled production from the Eumont Gas and Eunice Monument formations from the above-referenced lease.

Yours very truly,

R. R. Minus, Jr.
Field Operations
Domestic Raw Materials Supply

RRM/dg

cc: Gulf Oil Company - U.S.
ATTN Mr. Jim Baker
P. O. Box 1150
Midland, TX 79701



B. V. Culp (NCT-A)

Section 19-T19S-R37E
Lea County, New Mexico